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AGREEMENT

This agreement for public relations services (the "Agreement") is made and entered into this 1st day of November 2002, by and between the Government of the Republic of Turkey, a sovereign State, (the "Government") and The Harbour Group, LLC, a corporation formed under the laws of the District of Columbia, with an office in Washington, DC (the "Group").

The Government and the Group hereby agree to the:

1. <u>Term.</u> This Agreement shall last one year, commencing on November 1, 2002 and terminating on October 30, 2003. It may be renewed for additional and successive one-year periods upon the explicit written agreement of both parties. This Agreement may, during its term, be terminated with or without cause at any time by either party after sixty (60) days written notice to the other party.

or

- 2. <u>Services.</u> The Group shall provide public relations services, as required, for the Government. The full nature and extent of those services shall be jointly determined by the Government and the Group. The Group shall not pursue a public relations strategy or agenda without the express consent of the Government.
- 3. <u>Fees.</u> The Government agrees to pay the Group an annual retainer fee in the sum of \$ 600,000 in United States dollars per year for the services described herein. This annual retainer fee shall be payable in the following installments:
 - a. An installment of U.S. \$300,000 due and payable no later than November 15, 2002,
 - b. An installment of U.S. \$150,000 due and payable no later than March 1, 2003
 - c. An installment of U.S. \$150,000 due and payable no later than July 1, 2003

All retainer fee installments shall be paid by wire transfer of immediately available funds to the following account, or to such accounts as later designated by the Group in writing:

Bank:

Citibank, F.S.B.

ABA No.:

254-070-116

Address:

1101 Pennsylvania Avenue

Washington, DC 20004

Account Name:

The Harbour Group, LLC

Account No.:

Attn:

Robin L. Burton (Telephone: 202/220-3627)

4. <u>Refund for Early Termination</u>: In the event that this Agreement is terminated prior to the end of its 12-month term, any retainer fees paid to the Group by the Government that exceed the pro-rata share of fees apportioned on a daily basis, up to and including the date sixty (60) days after notice of termination has been provided as described herein, shall be refunded by

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the Group to the Government.

- 5. <u>Report.</u> The Group will provide the Government with a written monthly status report concerning the services provided in the previous month and to be provided in the following month, as described herein.
- 6. Privileged Information. The Group, understanding the sensitive nature of the services to be provided under this Agreement, will make every effort to protect and keep secret all privileged communications and other confidential information developed by the Group or provided to the Group by the Government during the course of the Group's provision of services described herein. The Group shall neither make nor keep more copies than necessary of materials relating to its services for the Government. The Group also agrees to keep files relating to its services for the Government under lock and key. At the Government's request, the Group shall destroy, whether by cross-shredding and/or burning certain documents identified by the Government in the possession of the Group.
- 7. <u>Subcontractors</u>. The Group may employ at its discretion subcontractors to assist in providing the services described herein.
- 8. <u>Legal Compliance</u>. The Group and any subcontractor of the Group shall separately and individually comply with all applicable U.S. laws and regulations. In particular, it shall comply with Title 22, Chapter 11 of the United States Code pertaining to Foreign Agents and Propaganda.
- 9. <u>Conflicts.</u> The Government understands that the Group provides services to many commercial entities that are engaged in international business and trade activities. Notwithstanding anything to the contrary within this Agreement, the Group, in the exercise of its sole discretion, may represent any commercial entity in doing business with the Government. However, the Group shall notify the Government of any potential conflicts of interest between its representation of the Government and any other party and any possible remedial measures that can be taken to remove the conflict[s]. Once notified, the Government shall, in its sole discretion, determine whether a material conflict exists and whether remedial measures proposed are sufficient.

10. Representations and Warranties.

- a. The Government hereby represents and warrants that the undersigned has the full power and authority to enter into this Agreement on behalf of the Government and to carry out the obligations contemplated herein. This Agreement, when executed by the undersigned on behalf of the Government, will constitute a legal, valid and binding agreement of the Government enforceable against the Government in accordance with its terms.
- b. The Group hereby represents and warrants that the undersigned has the full power and authority to enter into this Agreement on behalf of the Group and to carry out the obligations contemplated herein. This Agreement, when executed by the undersigned on behalf of the Group, will constitute a legal, valid and binding agreement of the Group enforceable against the Group in accordance with its terms.

- c. The Group hereby represents and warrants that it is an independent contractor and not an employee of the Government. As such, has no authority to bind the Government in any manner whatsoever, absent the express written consent of the Government.
- 10. Choice of Law, Jurisdiction, Forum, Language. This Agreement shall be governed by, and construed in accordance with, the laws of the Republic of Turkey. Should any dispute arise regarding this Agreement, including but not limited to, the interpretation of its terms, it shall be settled in good faith negotiation by the parties. Should negotiations fail, then the Turkish Republic Courts in Ankara Turkey shall be the sole jurisdiction and venue for resolving disputes relating to this Agreement. Though the English language version of this Agreement shall govern, the Group understands and agrees that all dispute resolution contemplated in this section may, at the Government's sole discretion, be conducted in the Turkish language.
- 11. <u>Indemnity.</u> The Group shall be solely responsible for the acts of its employees and/or agents and shall defend and hold the Government harmless from and indemnify it for any claims which arise from such acts.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first written above, in two (2) original copies in the English language.

FOR THE GOVERNMENT OF THE REPUBLIC OF TURKEY:

By: Faruk Logoglu

Turkish Ambassador to the United States

FOR THE HARBOUR GROUP

By: Joel Johnson Managing Director